

PROPOSED AMENDMENTS TO AB 1980 (WOLK)

SECTION 1. Section 18680 of the Elections code is repealed.

SECTION 2. Section 89520 of the Government Code is amended to read:

89520. The remedies provided in Chapter 11 (commencing with Section 91000) shall not apply to violations of this chapter, except Section 89522.

SECTION 3. Section 89522 of the Government Code is repealed, and added to read:

89522. Every person who is entrusted with money or things of value for the purpose of promoting or defeating any initiative, referendum, or recall petition or any measure that has qualified for the ballot is a trustee of the money or things of value. If a person wrongfully appropriates the money or things of value to any use or purpose not in the due and lawful execution of the trust, the person shall be punishable, in addition to the administrative remedies available pursuant to Chapter 3 (commencing with Section 83100), by a fine not exceeding five thousand dollars (\$5,000), or by imprisonment in the state prison for 16 months or two or three years or in a county jail not exceeding one year, or by both the fine and imprisonment. The following expenses are within the due and lawful execution of the trust:

- (a) Securing signatures to initiative, referendum, or recall petitions.
- (b) Circulating initiative, referendum, or recall petitions.
- (c) Holding and conducting public meetings.
- (d) Printing and circulating prior to an election:
 - (1) Specimen ballots.
 - (2) Handbills.
 - (3) Cards.
 - (4) Other papers.
- (e) Advertising.
- (f) Postage.
- (g) Expressage.
- (h) Telegraphing.
- (i) Telephoning.
- (j) All salaries and expenses of:
 - (1) Campaign managers.
 - (2) Lecturers.
 - (3) Solicitors.
 - (4) Agents.
- (5) All persons employed in transacting business at headquarters or branch offices, if the business transacted is related to promoting or defeating an initiative, referendum, or recall petition or any measure which has qualified for the ballot.
- (k) Maintaining headquarters and branch offices.
 - (1) Renting of rooms for the transaction of the business of an association.
- (m) Attorney's fees and other costs in connection with litigation where the litigation arises directly out of any of the following:
 - (1) Activities related to promoting or defeating an initiative, referendum, or recall petition or any measure that has qualified for the ballot.
 - (2) The enactment, by the initiative process, of any ordinance, charter amendment, statute, or constitutional amendment.
 - (3) An election contest or recount.
 - (4) A violation of state or local campaign, disclosure, or election laws. The amendment of this section by adding subdivision (m) thereto, made at the 1991-92 Regular Session of the Legislature, does not constitute a change in, but is declaratory of, the existing law.
- (n) Expenses for food, clothing, shelter, and other personal needs of the trustee are not within the due and lawful execution of the trust. However, expenses for travel and necessary accommodations for the trustee are within the due and lawful execution of the trust, if the travel and accommodations are

related to promoting or defeating an initiative, referendum, or recall petition or any measure that has qualified for the ballot.

(o) Expenditures in support of the trustee's candidacy for elective state office or in opposition to a candidate running for the same elective state office are not within the due and lawful execution of the trust.

SEC. ~~4~~ 4. Section 83124 of the Government Code is amended to read:

83124. The commission shall adjust the contribution limitations and voluntary expenditure limitations provisions in Sections 85301, 85301.5, 85302, 85303, and 85400 in January of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index. Those adjustments shall be rounded to the nearest one hundred dollars (\$100) for limitations on contributions and one thousand dollars (\$1,000) for limitations on expenditures.

SEC. 5. Section 85301.5 is added to the Government Code, to read:

85301.5. (a) A person may not make to any ballot measure committee controlled by a candidate for elective state office, and a ballot measure committee controlled by a candidate for elective state office may not accept from any person, any contribution totaling more than \$21,200. ~~the contribution limit applicable to the candidate pursuant to set forth in subdivision (c) of Section 85301 and 85302.~~

(b) If this section is successfully challenged and a court awards an opposing party attorneys' fees and costs, those fees and costs shall be paid from the General Fund and the Commission's budget shall not be reduced accordingly.

~~(b) A ballot measure committee controlled by a candidate for elective state office that makes expenditures for communications that clearly identify the candidate may only expend that portion of a contribution that does not exceed the contribution limitation applicable to that candidate for his or her campaign for the purpose of making the communication. The amount of the contribution expended for the communication shall be treated as a contribution to the candidate and shall be subject to the applicable contribution limits for that candidate.~~

~~(c) For the purposes of subdivision (b), a communication by a ballot measure committee controlled by a candidate for elective state office does not "clearly identify" the candidate if the identification is required by law and the method of identification is reasonable for achieving this sole purpose.~~

Section 6. Section 91000 of the Government Code is amended to read:

91000. (a) Except as provided in sections 89522 and 91002, ~~Any~~ any person who knowingly or willfully violates any provision of this title is guilty of a misdemeanor.

(b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars (\$10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.

(c) Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.

Section 7. Section 91002 of the Government Code is amended to read:

91002. No person convicted of a ~~misdemeanor~~ crime under this title shall be a candidate for any elective office or act as a lobbyist for a period of four years following the date of the conviction unless the court at the time of the sentencing specifically determines that this provision shall not be applicable. A plea of nolo contendere shall be deemed a conviction for purposes of this section. Any person violating this section is guilty of a felony.